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Central Puget Sound
Regional Water Resources Strategy

DRAFT

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Table of Contents

List of Tables

List of Participants

A CPS Team led by Jim Waldo, the Governor's Water Policy Advisor, developed the Central Puget Sound Regional Water Resources Strategy. The CPS Team included:

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The CPS Team convened an Interim Work Group to help shape the initial Straw Proposal; three Task Groups held a series of meetings on specific topics. In addition, the CPS Team led two workshops to obtain further input. Participants in these activities provided important perspectives and information, but their participation does not necessarily represent an endorsement of the Strategy. Participants in Task Groups and workshops included:

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1

I. Introduction

The Central Puget Sound Regional Water Resources Initiative and related Strategy ("CPS Strategy") is a proposal for the development of a cooperative water management strategy for the Central Puget Sound Region. The Initiative reflects the recognition that the State has a fundamental responsibility to manage water resources in the public interest to meet the instream and out-of-stream needs of the region. The State, however, holds only a portion of the ability to manage water resources; local governments have significant responsibilities as well. This Strategy recognizes that to effectively and fully manage water resources, cooperation and coordination with local governments is necessary.

The Strategy provides a regional framework for coordinated State decision-making in cooperation with local governments, and with consultation and involvement of tribes and federal agencies. The Strategy provides policy guidance to cooperatively identify and evaluate creative and adaptive means to manage water resources in the region. Beginning in 2003, the State will begin a long-term effort to achieve sustainable water resource management in the Central Puget Sound Region through the creative use of existing water management authorities and tangible action items.

A. The Central Puget Sound Region

For purposes of the Strategy, the Central Puget Sound Region is defined as six Water Resource Inventory Areas (WRIAs) in or adjacent to King, Pierce and Snohomish Counties. The WRIAs included in the CPS Strategy are the following:

- WRIA 5 – Stillaguamish River Watershed
- WRIA 7 – Snohomish River Watershed
- WRIA 8 – Cedar River Watershed
- WRIA 9 – Green River Watershed
- WRIA 10 – Puyallup River Watershed
- WRIA 12 – Chambers Creek/Clover Creek Watershed

B. Need for A Regional Strategy

Population is projected to increase in the Central Puget Sound Region. Climate change could affect the ability to meet increasing water supply demands and will affect the health of the watersheds of the region in unknown ways. Basins were closed to further water appropriation in the late 1980s or most of the 1990s, but fish populations have continued to decline and some tributaries are impacted by groundwater diversions as well as development patterns. Protection of flows in streams is an essential component of managing the region's water resources. These issues require cooperative and creative approaches to meet both instream and out-of-stream needs in increments over time. This Strategy outlines a comprehensive regional approach to management of the region's water resources as an essential legacy that will support healthy watersheds and vibrant communities for future generations.

There are currently a number of impediments to achieving comprehensive water resource management that provides for instream and out-of-stream needs in the region. To a large extent, existing laws form a large impediment, but agencies also currently work and act in an uncoordinated manner. Decision making is slow and fragmented between agencies and water management decisions are made on a project by project basis with the agencies unable to consider the consequences in a regional context. There is a need to link many existing and ongoing planning efforts in a regional water management strategy. Those efforts are all worthwhile and valuable individually, but they will be more effective if they are included within a comprehensive management framework.

Water management can only go so far at the State level, but water resource decision-making is also fragmented between the State and local governments. Local governments' land use and land development decisions affect water resources and are made without integration with the State's water resource management process. Water resource sustainability can be achieved faster, more efficiently and at less overall cost to the region if a regional water management framework supports growth management decisions.

The real water managers in the region - the utilities - can add value to water resource management if their decisions are made within a regional framework for water management that is coordinated with State and other local governments.

The purpose of the CPS Strategy is to enhance the ability of the State, local government and utility decision-makers to make sound water resource management decisions in a coordinated manner to sustain healthy watersheds and vibrant communities into the future. The success of this Strategy will be measured therefore, not only by the effectiveness of state action, but also by the commitment of local governments and utilities to move forward with the state to achieve water resource sustainability.

This Strategy creates a new water resource decision-making framework that designates a Central Puget Sound Team composed of four State agencies to help manage water resources in a coordinated, comprehensive and integrated manner. Over time, the Strategy will enhance and support local water planning processes and programs. It is acknowledged that local planning processes do the best job of identifying local problems related to the need for water for both growth and the environment. The CPS Strategy will complement and build on those efforts. Together, State and regional partners can assure that regional problems are addressed sooner, more efficiently and at less overall cost.

C. Development of the Strategy

An interim working group convened by Governor Locke's Water Policy Advisor developed the Strategy during 2002. The working group included numerous individuals from State agencies, water utilities, environmental interests, and local governments in the Central Puget Sound Region (see List of Participants). The interim working group shaped a straw proposal, and comments were received on that proposal from the public. Three Task Groups researched issues and provided recommendations on numerous topics including Future Water Supply Needs, Instream Flows, Water Management Tools and Early Actions. While the participants in the Task Groups and workshops have not committed their constituencies to this

Strategy, they have provided important guidance and assistance concerning their perspectives and interests.

The Tribes in the Central Puget Sound Region decided not to participate in the development of the Strategy. The State acknowledges the importance of tribal rights and interests, and will continue to seek their involvement as this Strategy proceeds. The Task Group participants attempted to identify ways to incorporate their understanding of those interests into this Strategy.

D. Features of the CPS Strategy

The CPS Strategy consists of the following major features:

- **Vision and Goals** that are used in the development of this Strategy will guide future water resource management planning and decision-making in the CPS region;

- A proposal for **Coordinated Water Resource Management** that will result in State agencies working in a more efficient and coordinated manner, and which features coordination with local governments, watershed planning groups, water and wastewater utilities, and other local and regional natural resource planning groups;

- A suite of **Water Resource Management Tools** to be used in new and creative ways that will deliver out-of-stream water needs and improve instream flows throughout the region;

- A set of **Early Actions** and **Pilot Projects** that will continue the on the ground efforts to meet the demands for future growth while improving environmental values.

- A set of **Long Term Actions** to implement the Strategy and achieve the Vision and Goals.

E. Organization of this Document

Following this Introduction, this Strategy document has seven Sections:

- Vision and Goals
- Coordinated Water Resource Management
- Water Resource Management Tools
- Early Actions and Pilot Projects
- Long Term Actions
- Implementation Schedule
- Funding

II. Vision and Goals

This section identifies an overall "Vision" to be achieved in the Central Puget Sound Region, and broad goals and specific objectives to be pursued by State agencies and regional partners when managing regional water resources. The Strategy supports the Vision, Goals and Objectives.

A. Regional Vision and Guiding Principles

The Vision for the Central Puget Sound Strategy, is:

Water resources are managed in a sustainable manner that supports vibrant communities and a healthy environment.

To support this regional vision, the following principles will guide the development and application of the Strategy.

- Water is a valuable, sometimes scarce, resource. Efficient allocation and use of water for instream and out-of-stream purposes is in the public interest.
- Sustainable water resources are essential for long-term public health and safety, quality of life, a vibrant economy and healthy environment.
- Tribal rights and needs are acknowledged, respected and need to be addressed.
- Water resource users and stakeholders alike need improved predictability and certainty in the region's water resource management. This applies to both instream and out-of-stream water needs.
- Watershed conditions are continually changing, as are technology, institutions, and scientific understanding. Effective management of the region's water resources will require adaptive approaches that can respond to these changes in a timely manner.
- Strategies, policies and decisions should be based on current, credible information using sound scientific principles.
- Allocation of public funds for regional solutions should be distributed in a manner that is fair, equitable and consistent with the regional Vision, Goals and Objectives.
- Authority to act should be linked to accountability for the results.
- Regional and local perspectives and needs should be acknowledged and respected.

- The decision-making process should be open and inclusive, and respect local processes.

- Decisions, funding, and other actions by State agencies should be coordinated and consistent; both from one agency to another, and within agencies at the policy, technical and operational levels.

B. Goals of the CPS Strategy

The following goals are identified for the CPS Strategy. They include both substantive goals and procedural goals:

1) Substantive Goals

- Protect and enhance environmental quality with regard to the region's streams, rivers, aquifers, and associated resources.

- Provide water supply to meet the needs of communities, families, farms and businesses as the region continues to grow, while ensuring that water is used in an efficient and sustainable manner.

- Provide water necessary for healthy and harvestable populations of fish while supporting growth management plans in the region.

2) Procedural Goals

- Enhance the State's ability to make water resource decisions in a manner that is timely and responsive to local needs and procedures.

    a. Identify, evaluate and pursue changes to existing legal authorities, policies, structures and processes where needed to meet the regional vision.

    b. Establish a new State decision-making procedure for water resource management that aligns State agencies, both from agency to agency, and within each agency at the policy, technical and operational levels.

    c. Develop project-level criteria and overall performance objectives for implementing the Strategy. Provide timely and streamlined decision-making procedures for projects that meet these criteria.

    d. Define and carry out effective approaches to managing instream flows, including a combination of regulatory and non-regulatory approaches.

- Improve procedures at the local level, so that decisions at the local level anticipate and respond to regional and State priorities for water resource management by using the following objectives:

  a. Pursue infrastructure efficiencies, innovative approaches and technologies to meet in and out-of-stream needs.

  b. Define and carry out monitoring and research efforts needed to provide a sound information base for water management decisions

  c. Assess potential impacts of climate change, and include possible changes in seasonal stream flows and watershed hydrology in an adaptive management framework.

- Improve coordination between land use management decisions, and water resource management actions using the following objectives:

  a. Develop public information and outreach programs to enable public involvement and support for regional solutions.

  b. Define and encourage stewardship practices for water resource use and management in the region that are effective, appropriate, affordable and can be implemented.

  c. Link water resource management decisions with existing local, State and regional land use, infrastructure and resource planning efforts.

  d. As water resource management decisions and procedures are further defined, incorporate specific procedures for ongoing evaluation and adaptation.

III. Coordinated Water Resource Management

The Strategy describes a new model for decision-making that relies on coordination and cooperation between all levels of government in the course of managing the region's water resources. A central feature of the new model is alignment and coordination of State agencies through their existing permitting and funding decision-making processes. This new model includes linkages to local government planning processes as key elements in water resource decisions. The model is built on: (i) the State's responsibility to manage water resources in the public interest, and (ii) local and regional engagement that will enhance both State and local water resource management decisions.

Note: This Coordinated Water Resource Management model was identified as a critical tool for effective regional water resource management. It is noted that legal authority may not exist to implement all components of the model. The Water Team will conduct a legal analysis

of the model prior to the development of the final Strategy in December to fully identify existing authorities and the need for new authorities to implement the Strategy.

A. Coordination and Alignment of State Agencies

The Strategy creates a new water resource decision making framework. The framework improves State and local government's ability to make water resource management decisions in a coordinated and predictable manner. The application of this framework within the Central Puget Sound Region is appropriate because of the uniqueness, magnitude and complexity of water resource issues within the region. The region is highly urbanized and has a labyrinth of overlapping jurisdictions.

Four State agencies are involved in water resource management decision making: Department of Ecology, Department of Health, Department of Fish and Wildlife, and Department of Communities, Trade and Economic Development. These agencies will adopt a new model of coordinated and aligned water resource management decision making in the CPS region with local governments, commissions and boards to carry out its responsibilities to manage water resources. Specifically, a new CPS Team will carry out the State's responsibility to manage water resources in Central Puget Sound.

- The CPS Team will consist of designated high-level staff from the four State agencies.
- The CPS Team members will report directly to the Directors of their respective agencies.
- In carrying out its responsibilities, the CPS Team will manage water resources in a manner consistent with the CPS Strategy Vision and Goals.
- To the greatest extent possible and practicable, the CPS Team will develop collective decision-making responsibilities with local governments, WRIA planning groups or other planning entities as deemed necessary to carry out its responsibilities.
- To the greatest extent possible, the CPS Team will encourage local governments to incorporate the CPS Strategy Vision and Goals into local planning and operational activities over time.
- The CPS Team will, in addition to its usual water resource management responsibilities, identify and resolve challenges that impede the ability to meet the CPS Strategy Vision and Goals.
- The CPS Team will seek avenues to resolve interagency disagreements through memorandums of understanding guided by the CPS Strategy Vision and Goals.
- The CPS Team will develop a regional "Water Balance Sheet" used to evaluate progress toward accomplishing the CPS Strategy Vision of a healthy environment and vibrant communities. The "Water Balance Sheet" will be used to keep

account of instream and out of stream management decisions and to assure that water resources will be provided to meet the requirements of the Growth Management Act while simultaneously improving instream environmental conditions.

This new model will not create new bureaucracies, agencies, or authorities. To a large degree, this Strategy will be implemented using existing authority. However, this Strategy cannot get to full implementation on existing authority alone. The Governor's Water Team, working with local governments and interested parties will seek new legislation that will allow full implementation of the CPS Strategy Vision and Goals.

Organized and operating according to this model, the CPS Team will interact, consult and cooperate with federal agencies, tribal and local governments, local, regional and watershed planning groups on water resource issues throughout the region. The shared management model will encourage and guide coordination at the local level, as well as between local, regional and State governments. Over time, this coordination will enhance both project-level and programmatic decisions as the CPS Strategy Vision and Goals become incorporated into all levels of water resource management.

B. Existing Plans and Processes

The CPS Team will coordinate the State's water resource decision making throughout the Central Puget Sound Region. When making those decisions, a variety of existing water resource planning processes and activities will be respected, utilized and incorporated into the Team's decision making process. These include, but are not limited to:

- Local Growth Management Act and Shoreline Management Act based land-use plans and development regulations;
- Central Puget Sound Water Suppliers' Forum Water Supply Outlook;
- Water Resource Inventory Area planning efforts including efforts under the Salmon Recovery and Watershed Planning Acts;
- Water System Plans, Wastewater Plans and related utility plans;
- The Shared Salmon Strategy, and
- State Salmon Strategy.

The CPS Team will support, enhance and utilize, to the greatest extent possible, locally developed water resource and growth management plans as a basis for future decisions. Over time, local decision-makers can enhance regional water management by incorporating features, goals, objectives and elements of the CPS Strategy. Indeed, one measure of success for the CPS Strategy will be the extent to which it is consistent with, and linked to, local decision-making processes, and local decision-making processes are linked to the Strategy.

C. Tribal Rights and Interests

While the Tribes in the Central Puget Sound Region decided not to participate in the development of the Strategy, the Interim Working Group and Task Groups recognized that tribal water rights and interests are important and must be respected. The Strategy will accommodate the participation of the Tribes should they decide to do so. The Tribes in the Central Puget Sound Region are encouraged to participate. Cooperative implementation of the Strategy can accomplish protection and restoration of instream flows within the rivers and tributaries of the region—a common goal of both the Tribes and the State.

Therefore, the Strategy recommends:

- The Tribes' government-to-government relationship with the State and federal government will serve as the primary avenue for tribal participation in water resource management decisions;

- Should the Tribes choose to participate in local planning efforts that provide information and recommendations to the CPS Team, they will be encouraged and welcomed to do so.

- Local planning recommendations for water resource management shall in no way be binding on the Tribes except as established by law or agreements, and their participation in local planning efforts shall in-no-way be construed as agreement with local recommendations, except as clearly defined by the Tribes.

- As the State moves forward in fulfilling its obligation to manage the State's water resources, it will continue to reach out to the tribes and encourage them to participate in the implementation of the Strategy.

D. Linkage to Regional Watershed Planning Groups

Substantial effort has been spent establishing watershed-based planning efforts under a number of authorities, including but not limited to the Salmon Recovery Act of 1998 and the Watershed Planning Act of 1998. Additionally, watershed-planning groups have embraced the challenge of planning for salmon recovery, water quality improvement, shellfish improvement, and other purposes. These local efforts will be recognized and respected. The CPS Team will develop a process for incorporating these planning efforts into this Strategy. Local, watershed and regional planning efforts will be used to support the CPS Teams water resource management efforts for future instream and out-of-stream needs. Specifically the watershed or sub-watershed forums will:

- Continue to be the focal point for watershed based salmon habitat and water resource management planning;

- Provide information to the CPS Team regarding habitat and water quantity and quality;

- Make recommendations to the CPS Team for instream flows and other instream water projects.

The State will work in cooperation with local governments to develop a coordination process to implement this Strategy according to the Schedule in section VII.

E. Coordination of Water Resource Management with Local Land-use Planning

Local land-use planning and permitting, water rights decision-making, instream resource protection, and related water-resource management activities are currently fragmented and uncoordinated. A central element of the Strategy is that water will be provided for growth that is consistent with and identified by regional growth management plans and development regulations. Simultaneously, instream water resources and environmental quality will be protected and enhanced. Achievement of these goals will require coordination between the CPS Team, local governments and water suppliers.

The CPS Strategy recognizes that some of the most severe challenges to meeting the needs for instream flows and fish production are related to the urbanization of tributary watersheds within the region. Urbanization and the associated increase in impervious surfaces generally result in increases in peak flows in winter and reduced summer low flows in small watersheds. In more rural areas, the use of exempt can reduces summer low flows in some tributaries. The protection of groundwater and base flows is a key element of the Strategy to protect and improve stream flows in the region. These land-use impacts must be recognized and addressed the Strategy in order to achieve the Vision and Goals.

The CPS Team will encourage local governments to use the tools provided by the Public Water System Coordination Act (Chapter 70.116 RCW), and to require utilities with designated service areas to evaluate serving all new developments in those areas either from their central water delivery systems or satellite system management areas. The objective of this effort is to reduce uncontrolled growth that will have harmful effects on aquifers and sensitive streams, and to provide better opportunities for responsible, sustainable, stewardship of water resources.

Similar procedures will be used by the CPS Team to eliminate the need for proliferation of individual exempt household wells within urban growth areas. In concert with local land-use authorities, and under authority of Chapter 90.54 & 90.22 RCW, the CPS Team will work with local governments to direct growth within urban growth areas to those areas served by public water systems that are managed consistent with the Goals and Principles of the CPS Strategy.

F. Linkages with Other Regional Processes

In addition to the various planning activities cited above, there are regional planning efforts to be integrated and linked to the CPS Strategy over time. Those efforts include:

- Central Puget Sound Water Suppliers' Forum
- Tri-County process planning for Endangered Species Act response;
- Shared Strategy for Recovery of Salmon in Puget Sound

- Puget Sound Council of Governments
- Watershed Planning groups

G. Applying the Cooperative Management Model

The decision-making framework will have alternative tracks that can be selected by project proponents for review and permitting of water projects. The first track will continue the existing permit review process. The second track will implement coordinated planning and decision-making guided by the CPS Strategy Vision and Goals.

1. Existing Permit Review

The Strategy recognizes that a person can apply for a water right permit(s). Water right applications that do not support the Strategy Vision and Goals will proceed through normal review.

2. Coordinated Decision Making

The Strategy defines an additional new path for water project planning, review, and permitting. Within the Central Puget Sound region, project proponents are encouraged to work with the CPS Team to ensure that projects promote the Vision and Goals of the Strategy. The CPS Team will work with the project proponents to modify the project as necessary to meet the criteria listed below, and to provide regional benefits that enhance instream and out of stream water management.

The CPS Team will also work with appropriate local government and planning agencies whose decision-making affect water resource management to assure that the project supports the Strategy Vision and Goals. To the extent that the proposed project is consistent with these requirements, the CPS Team will expedite the review and decision-making process. Water resource management projects proposed by an individual entity or a group of entities are eligible to avail themselves of this process.

The CPS Team will also identify projects for review under this process. Nothing in this expedited decision-making process constitutes authority of the CPS Team to avoid existing State or federal laws or regulations or to deny citizen participation.

The CPS Team will work with local governments to develop proposals for coordinating both State and local permits. No new governance authorities are created by this Strategy.

The CPS Team may determine that coordinated review is not necessary to meet the Strategy Vision and Goals or to meet legal mandates. In these cases, projects may be granted expedited review and decision-making processes.

The CPS Team will also review Early Action Projects that complement the Strategy Vision and Goals using expedited review and decision-making processes. Pilot projects that demonstrate new water management techniques or approaches that have the potential to further

the Strategy Vision and Goals are entitled expedited review and decision-making by the CPS Team.

To the extent necessary, the CPS Team, working with local governments and interested parties, will develop regulations for implementing this coordinated decision-making process.

3. Decision Making Criteria

The CPS Team will work with local governments and regional parties, according to the schedule set forth in Section VII to develop a full set of criteria that will be used to determine whether projects are consistent with the Strategy Vision and Goals. The following criteria will be used to screen projects that seek access to the expedited decision-making track. The Governor's Water Policy Advisor will seek legislative authority to expedite decision-making for new water right applications that support the Strategy Vision and Goals.

- Instream
  - Stream flow management – stream flows protected or enhanced by the proposed action
  - Water quality – water quality is protected or enhanced
  - Consistent with WRIA plans
  - Where source displacement of water use is identified as a solution to meeting instream needs, alternative water supplies will be provided in quantities and at an equitable cost sufficient to meet growth management requirements. The CPS Team will work with participants to develop a regional comprehensive source displacement program.
- Out of Stream
  - Consistent with the Growth Management Act, local Comprehensive Plans and development regulations
  - Meets, or demonstrates significant progress toward CPS Strategy Goals of water use efficiency and conservation
  - Consistent with The Central Puget Sound Water Suppliers' Forum "Outlook" for future water supply or other demand projections
  - Provides for the effective use of water management tools
  - Minimizes environmental impacts and enhances environmental instream benefits while meeting current and future needs
  - Evaluates and adopts the full range of cost-effective alternatives to meeting out-of-stream needs prior to seeking new source supply

- Regional Implementation
  - Consistent with regional plans
  - Balances instream and out of stream water uses in aggregate throughout the region
  - Sustainable over the long term
- Shared Decision Making
  - Supports local water resource and planning decisions included in Growth Management Plans, State plans, watershed plans, and water supply plans
  - Multiple local sponsorships
  - Enforceable
  - Monitoring and adaptive management plan included, if necessary
  - Tests a new concept (pilot project) that if successful would support the Strategy Vision and Goals.

IV. Water Resource Management Tools

A range of tools is available to manage water resources in the Central Puget Sound Region. These include infrastructure projects, non-structural management techniques, and legal or institutional tools. Each of these categories has a potential role to play in optimizing water resources in the Central Puget Sound Region. However, they can be effective only if supported by the appropriate State and local governments and utilities.

A. Available Tools

The following list provides an overview of available tools:

Engineering/Infrastructure Tools:

- *Interties* connecting adjacent water systems to allow exchange of water between them to move water where it is needed for both fish and people;
- *Source exchange* in which one source of supply is substituted for another, either on a temporary basis, or permanently to use water diversions more efficiently;
- *New source development* involving new diversions from surface water or new pumping of ground water to accommodate the natural instream and out-of-stream constraints;

- *Storage* allowing water to be collected when it is abundant, and stored for use at a later time. This may include above-ground storage in on-channel or off-channel reservoirs, or storage in natural aquifers underground;

- *Conjunctive use* of multiple sources, optimizing multiple sources into a system that results in greater efficiencies than independent sources;

- *Reclamation and reuse* involving treatment of wastewater to allow it to be used again;

- *Streamflow augmentation* to enhance and/or correct natural flow or over appropriation of water sources; and

- *Desalination* of sea water as an alternative to the utilization of natural fresh water sources.

Non-Structural Tools:

- *Water conservation* to improve efficiency of water use or reduce demand;

- *Stormwater management* to slow runoff and/or promote infiltration into ground water systems;

- *Rainwater harvest* to promote individual citizen assistance by collecting rainfall to displace potable water uses and enhance the availability of water to support the Strategy Vision and Goals; and

- *Low-impact development practices* that reduce runoff and promote infiltration of water into ground water systems.

Legal and Institutional Tools:

- *Regulatory actions* such as planning requirements, environmental review, permitting, and enforcement actions;

- Utilize *existing regional water right place of use designations* to facilitate moving water to where fish and people needs are;

- *Adoption of instream flow rules* to define objectives around which we set conditions on out-of-stream water rights issued in the future;

- *Acquisition of water rights* for the State trust program to protect or enhance instream flows;

- *Information management* to support future water resource management decisions; and

- *Funding* to assist in the implementation of this Strategy.

B. Policies for Application of Water Resource Management Tools in the Central Puget Sound Region

To the extent that State and local authority already exists, the following policies will be implemented as a significant component of this Strategy. To the extent that legislative authority is necessary or required to carry out these policies, the Governor's Water Team will work with the legislature to seek the necessary authority. The development and implementation of these policies will begin in 2003.

1. Conservation

The Water Team will, in cooperation with water users and local governments, develop regional water conservation requirements and water use criteria by adopting the most advanced and cost-effective water conservation technologies and methodologies available today. That effort will include defining the standard "efficiency of use criteria" and establishing that standard as a requirement for regional water use. It will also require utilities to achieve a standard for individual system efficiency of no more than 10% lost or unaccounted for water use. The conservation requirements will include recognition of the unique operating characteristics of each individual utility. The goal of this effort is to require additional regional conservation of water by individuals and improve efficiency of water supply systems.

Utilities will be required to develop plans to implement the "efficiency of use" criteria into future updates of water system plans. The CPS Team will guide the schedule for the transition of these criteria into plans and coordinate subsequent updates to each utility's water system by incorporating these criteria into each individual utility's current schedule for water system plan updates.

A regional organization will be funded to provide technical recommendations for water conservation methods and technologies, and to document industry efficiency ratings for water conservation equipment that will reduce existing water demand and reduce the necessity for new water source development. The conservation methods and technologies identified by the organization will guide the CPS Teams decision-making when implementing the regional "efficiency of use criteria." The organization will be funded to develop a regional conservation education program. To the extent that no regional organization chooses to provide the conservation methods and technologies, the CPS Team will develop the required information.

Working with regional utilities, and using existing authority, resolve the "use it or lose it" disincentive for those utilities that are being called upon to implement cost effective conservation programs.

The Water Team will develop this conservation program according to the implementation schedule that is included in this Strategy.

2. New Source Development

New surface or groundwater diversions in the region will be approved only from those sources determined to have water available and when the proposed use supports the CPS Strategy Vision and Goals. For service to urban growth areas (UGA), new surface water or

groundwater right permits must demonstrate regional benefit and add value to the CPS Strategy. Recognition shall be given to local instream flow improvements as providing a regional benefit.

The Governor's Water Policy Advisor will establish a new, regional process for prioritizing and expediting decision-making for new water rights where they support the regional vision and goals and can meet the statutory framework for new water rights.

The CPS Team will develop clear mitigation guidelines for new water source development that supports the Strategy Vision and Goals.

3. Storage

Storage of water is one element of water resource management. While the CPS Strategy does not support the construction of additional on-channel dams or structures, there are other innovative storage options available; such as off-channel storage, small scale storage, base flow augmentation and aquifer storage projects that can provide significant opportunities to manage water resources. Natural storage in regional groundwater aquifers to enhance stream flows is an essential element of the CPS Strategy and will be considered as a prime option for meeting the Strategy Vision and Goals.

The CPS Team will evaluate stream flow augmentation projects that can support instream and out of stream needs and match seasonal variations in water availability with instream and out of stream needs.

The CPS Team will develop a coordinated or consolidated permitting of storage projects that supports the Strategy Vision and Goals. Working with watershed-level planning processes, the CPS Team will evaluate storage needs and identify potential storage projects within the region. The CPS Team will pursue demonstration projects for aquifer storage, recovery and stream flow augmentation.

4. Stormwater Management

The CPS Team will, using existing authority, develop a permit by rule that will allow the beneficial use of stormwater. It will also develop technical guidance for managing stormwater to preserve and enhance water supplies (both instream and out-of-stream.

5. Rainwater Harvest

The CPS Team will develop a permit by rule that exempts roof top rainwater collection and use of that water for individual domestic purposes. This rule will also exempt other rainwater harvest and storage up to a specific size.

The CPS Team will work with watershed planning groups to evaluate rainwater harvest in the context of the overall watershed budget. Working with a regional conservation organization, the Team will develop and distribute a cost effectiveness model for rainwater harvest to help local governments and utilities evaluate the tradeoffs for water supply, stormwater management, wastewater treatment and other alternative water supplies. Working in cooperation with local government the CPS Team will develop design standards to address

public health concerns and local building requirements for rainwater harvest, and document and evaluate existing uses of rainwater harvest in the region.

6. Instream Flow Management

To achieve the vision of a healthy environment and vibrant communities, all citizens of the region must have a responsibility to help the State, local governments and water users to retain and enhance instream flows.

Where flows have diminished below natural conditions, the CPS Team will work with local governments and planning agencies to enhance and improve instream flows. The CPS Team will develop an instream flow management program to ensure that instream flows will improve incrementally over time while supporting the out of stream needs of the region. This effort will be the highest priority of the CPS Team. The Water Code should be amended to recognize stream enhancements or augmentation as a municipal purpose to facilitate using sources of supply to serve future instream needs.

The CPS Team will develop a stream gauging and monitoring program that complements efforts by the United States Geological Survey, local governments, water utilities and watershed planning groups. The data generated by this effort will be shared with local and regional planning agencies and groups. The purpose of this effort is to develop reliable information that will be used for water resource permitting and as a guide for local governments to use when making land use decisions that affect water resource management.

Working with the Shared Salmon Strategy effort, the CPS Team will incorporate the needs of regional salmonid species into regional instream flow protection rules. The CPS Team will work with The Shared Salmon Strategy to develop an effective coordinated process to implement this directive. That process will become an element of this Strategy when complete.

King County has developed a Normative Flows Project that is an effort to develop an analytical approach and management tools that will link flow regimes to creation or restoration of important ecological conditions necessary for sustainable fisheries. The CPS Team will work with appropriate parties to incorporate, as it deems necessary, the Normative Flow Project into instream flow rulemaking in King County.

Developing an instream flow management framework and coordinating decision-making with regional governments and planning agencies will lead to better instream flow management. The CPS Team is authorized to conduct pilot adaptive management instream flow programs in the Central Puget Sound Region that is performance based, reflecting incremental progress towards stream flow objectives that are biologically defensible and hydrologically achievable. Work that is currently underway on both the Cedar and Green Rivers can serve as models for this alternative instream flow management framework.

The Legislature has instructed the Department of Ecology to set instream flows in fish critical watersheds that are not conducting watershed planning under chapter 90.82 RCW, including the Stilliaguamish, Ceda,r Green and Puyallup River basins. The following are policies that will guide the CPS Team when fulfilling its obligations to establish instream flows in these basins:

- In order to achieve the goal of protecting and enhancing mainstem tributary flows it is necessary to more efficiently use existing mainstem diversions to meet out of stream demands. To a large degree, that procedure is appropriate because management framework exists on those rivers that is designed to protect and enhance environmental concerns. Simultaneously, the Strategy recognizes that no new water right applications will be considered for diversions from the mainstem rivers in the region. To the extent that exceptions to this policy are necessary, the CPS Team will require that the applicant demonstrate strict compliance with the Strategy Vision and Goals. Existing water right applications for water from the mainstem rivers will be evaluated using the same criteria.

- Using the adaptive management instream flow program, the CPS Team will protect and improve instream flow in the tributaries to regional mainstem rivers in the region.

- Instream flows will be established for important tributaries to the mainstem rivers in the region and determined necessary by the CPS Team in consultation with the local watershed planning efforts.

- A presumption that existing watershed regulatory closures will remain in place.

- The CPS Team will use existing authority to provide alternative sources of water with the intent of preventing the proliferation of exempt wells within the urban growth areas of the region.

- State and local government permitting activities should evaluate, and to the extent possible, reduce development impacts on base flows.

7. Reclaimed Water

Reclaimed water is a valuable source of supply to meet defined needs. The CPS Team will assist local government and utilities to regularly evaluate opportunities, new technology and remove obstacles to the use of reclaimed water.

The CPS Team will work with local governments and utilities to integrate analyses of water supply, reuse, and waste disposal and stormwater management impacts on the water balance in service areas and watersheds. Plans for water use and ultimate waste disposal should not create a new water related problem for the watershed, but rather add value to and enhance the objectives of the overall CPS Strategy.

The CPS Team will amend Section 246-100 Washington Administrative Code to evaluate reclaimed water as an alternative source of supply. The Department of Health representative on the CPS Team will lead this effort.

8. Conjunctive Use

The CPS Team will use administrative policies and State funding to gain operational flexibility and reliability from the use of interties and multiple water sources. This policy will

improve instream resources or provide enhancement opportunities by managing water supplies in a manner consistent with instream needs while still meeting out-of-stream needs.

Using existing authority, the CPS Team will encourage, evaluate and expedite the processing of changes to existing water rights to create conjunctive use of multiple water supply sources if such changes support the Strategy Vision and Goals. To the extent that changes of existing groundwater rights from one aquifer to another support the Strategy Vision and Goals, using existing authority, the CPS Team will encourage those changes. Using existing authority, the CPS Team will allow the flexibility to secure authorized water supplies from different sources in any given year to the extent that such use supports the Strategy Vision and Goals.

9. Information and Adaptive Management

The CPS Team will develop an approach to collect, analyze, and make publicly available the data that will be used to make decisions and monitor performance in adaptive management programs.

The CPS Team will work with local governments, WRIA planning groups, utilities, and salmon recovery planning efforts to develop a water resource management database for the Central Puget Sound Region.

10. Compliance/Enforcement

The CPS Team will identify illegal water use practices in the region and initiate appropriate corrective action that includes an opportunity for voluntary compliance, followed by enforcement action, if necessary.

A long-term plan will be developed which will result in water use metering and will require that surface water uses greater than 20 acre feet per year report annually.

11. Interties

Interties consist of pipelines between water systems that allow water to be moved between the systems. This tool can provide substantial regional benefits when used in a manner consistent with the Strategy Vision and Goals. The Water Code should be amended to allow interties to be used to develop new sources of supply to serve future instream and out-of-stream needs consistent with the Strategy Vision and Goals.

Additionally, the CPS Team will develop a regional program to ensure a reliable and acceptable source of water in the event a community becomes stranded due to the loss of an intertie supply or through the necessity of curtailment.

Furthermore, the Water Code should be amended to clearly allow flexibility in the authorized place of use of existing water rights where the benefits of source exchanges can be demonstrated and secured.

12. Finance/Funding

Implementation of the CPS Strategy will require a partnership between the State, federal, local, and tribal governments. The CPS Team will provide leadership to identify the resources necessary to implement the CPS Strategy.

A CPS Strategy Fund will be established to support actions to implement the CPS Strategy with the focus on achieving instream flow management objectives and planned growth management infrastructure. The new revenue will be used to invest in water infrastructure generally, but not be limited to:

- Base flow augmentation projects that will support the Strategy Vision and Goals,
- Public health and small failing water systems,
- Environmental needs,
- Economic revitalization,
- Source exchanges that support the Strategy Vision and Goals,
- Multipurpose water storage projects, and
- Aquifer recharge projects the support the Strategy Vision and Goals.

The Governor's Water Policy Advisor will create a program that will link state funding efforts to regional and local water resource management priorities and plans; facilitate development of regional funding mechanisms to address multiple needs.

13. Climate Change

Climate change may modify historical trends in precipitation and runoff in unpredictable and significant ways. The CPS Team will develop an adaptive management program to monitor changes and trends and adjust projections and programs as part of the CPS Strategy.

The CPS Team, in cooperation with regional governments, shall create a forum for exchange of information between climate change scientists, water resource managers, policy makers and stakeholders on a regular basis.

Fund and support critical data collection systems and information display and analysis tools including the recommendations contained within the *Climate Change and Central Puget Sound Water Supply Issue Paper in Appendix XX.*

Develop an adaptive water management program that will enhance the region,s ability to respond to potential changes in water supply, including:

- Increase access to stored water and increase investments in stored water and storage recharge capacity;

- Intertie water systems;
- Increase investments in conservation;
- Implement water system operating procedures to reflect actual hydrological conditions;
- Provide permanent protection of riparian areas along mainstem rivers and their tributaries;
- Permanently protect critical natural recharge areas and wetlands; and
- Encourage local governments to develop land regulatory code changes to require low impact development, pervious surface treatments and zoning changes to protect recharge areas.

14. Regional Drought Response Plan

The CPS Team will coordinate development of a Drought Response Program for the region, in cooperation with water suppliers and interested parties. The Drought Response Program will include, but not be limited to:

- Policies to be applied during drought years to protect the region's instream resources while providing water supplies for out-of-stream needs;
- Specific programs, such as curtailment of non-essential uses, and events or actions that will trigger application of these programs;
- Coordination mechanisms, based on the CPS Strategy model, for specific decision-making processes during drought conditions.

The Drought Response Program will incorporate existing policies and procedures that have been developed by State agencies, local governments, and water suppliers where applicable.

15. Regulatory Actions

The CPS Team, working with local governments and interested parties, will develop and adopt region-wide criteria for review of water projects that support the Strategy Vision and Goals. It will establish criteria for identifying priority of regional water projects and establish dedicated staffing for review and permitting of those projects. Using existing authority, this effort can include the development of new procedures for expedited review of selected projects.

Using existing authority, the CPS Team will establish procedures for coordination of project review and permitting with local governments and interested parties as deemed appropriate to fulfill the intent of this Strategy.

Using existing authority as a means to implement approved regional and watershed plans, adopt "permits by rule" for certain types of water projects., establish general permits for certain types of water projects and permit a series of related water projects through a programmatic approval process.

The CPS Team will work with local governments and interested parties to develop the details of these directions. To the extent that new or amended laws are necessary to fulfill the intent of this Strategy, the Governor's Water Policy Advisor will work with the Legislature to develop such laws.

16. Shared Decision-making

The Governor's Water Policy Advisor will lead a regional effort to create a shared decision-making framework for regional water management decisions in the Central Puget Sound Region. That effort will:

- Clarify, reconcile, and better distinguish the roles of existing entities as they relate to water resource management;
- Establish a process for intergovernmental cooperation and coordination—including tribal coordination;
- Establish efficient procedures for conflict resolution;
- Establish new water resource management roles for existing governmental entities;
- Create a new entity in cooperation with local governments for regional management of water use and instream flows.

17. Regional Water Budget

In order to make informed decisions on water resource projects, the CPS Team, working with local governments and interested parties, will develop a regional water budget that includes information on the watershed and sub-watershed level.

V. Early Actions and Pilot Projects

Early Actions will be identified and implemented to meet CPS Strategy Vision and Goals. "Early Actions" are those that can be initiated in 2003 and proceed over the next several years to meet water resource management objectives in the Central Puget Sound Region. These actions generally will have minimal political, economic or regulatory impediments to their implementation. Proposals that are identified as Early Actions will be given priority for State action through expedited review and approval, and by pursuing public funding for implementation.

Proposals submitted for approval as Early Actions will be evaluated by the CPS Team according to the following criteria:

- The project must advance the CPS Strategy goal of regional water management that supports vibrant communities and a healthy environment. A preference will be provided to projects that provide benefits for both people and fish.

- The water needs addressed by the project must be compelling, and the benefits of the project must be clear.

- The project must be supported by adequate information, and project decisions must be mostly complete.

- Impacts of the project must be known and adequately addressed.

- There is broad public and political support for the project.

- The project has a good potential for demonstration and education that will affect future projects in the region. Monitoring of the project results must be included in the proposal.

- The project must be consistent with land use, water supply, watershed and salmon recovery plans, as applicable. Capital facilities projects must be identified in the applicable capital facilities plan. A preference will be provided to projects that are supported by a watershed or regional planning process.

- There is a ready and capable local sponsor for project implementation. A preference will be provided to projects that have secured a portion of the funding needed for implementation. (Projects without a ready local sponsor will be considered for early action if they rank highly on other criteria.)

- The project can be initiated or constructed within 2 years of authorization and funding (i.e. by the summer of 2005).

Those proposals that meet the criteria will be forwarded to the CPS Team. Proposals that meet the dual goals of water for people and fish, or contribute significantly to eitherof these goals individually, and can be guided by the Strategy Vision and Goals, will be referred to the CPS Team. Those projects will be deemed as worthy of priority action, and efforts will be made to coordinate them with State and Federal funding sources.

Some projects may be identified that do not meet all of the Early Action criteria but will further the CPS Strategy Vision and Goals. The CPS Team will work with the proponents to help the project qualify for Early Action if it would have significant benefit in the region for people and fish, or recommend those projects for long-term action.

The CPS Team will also evaluate Pilot Project proposals to test short-term projects that demonstrate and refine water management tools. Pilot projects are needed to develop new tools and validate concepts and tools used in other regions of the world. Pilot projects are primarily research projects; they can be a tool to establish potential linkages to universities and other entities to test specific concepts.

The first round of Early Action and Pilot Project proposals were due October 4, 2002. Thirteen Early Action project proposals and two Pilot Project proposals have been received and are under review according to the above criteria (Table 1).

Table 1
Early Action and Pilot Project Proposals

Project Name	Project Proponent
Bellevue/Issaquah Regional Pipeline	Cascade Water Alliance
Cedar River, Bear Creek, Issaquah Creek, and Sammamish River Sub-areas: projects identified in the Near Term Action Agenda for Salmon Habitat Conservation	WRIA 8 Forum
City of Buckley Wastewater Reuse Project	City of Buckley
City of North Bend/Sallal Project	City of North Bend and Sallal Water Association
Clover Creek Streambed Bottom Sealing	Pierce County
Mill Creek Low Flow Stream Augmentation	City of Kent
Newaukum Creek Conservation Initiative	Mid-Puget Sound Fisheries Enhancement Group
Protecting Water for Fish at the Urban Growth Boundary	WRIA 9 Forum
Sammamish Valley Reclaimed Water Facility	King County
Skykomish River Watershed – Startup/Gold Bar Ecosystem Restoration Assessment	Dwight Baker, Land/Eco Consultant
Tacoma/Eastside Regional Pipeline	Cascade Water Alliance
West Hills Springs	City of Auburn
White River Pipeline/Habitat Improvement Project	King County/Tacoma Public Utilities
Clover Creek Streambed Sealing PILOT Project	Pierce County Water Programs

VI. Long-Term Actions

Long-term actions will be identified, reviewed, and implemented consistent with the decision-making process outlined in Section III. For the most part, these long-term actions will be sponsored and carried out by local entities, with the State acting in a review and permitting capacity, or as a funding source.

A second category of long-term actions are those actions taken directly by the State to fulfill statutory requirements or carry out elements of the CPS Strategy that cannot be carried out by local entities.

A. Protection and Enhancement of Instream Flows

A combination of tools is needed to protect and enhance stream flows. Flow levels, measured in cubic feet per second (cfs), can be defined for specific points on a given stream. These flow levels can be adopted in an instream flow rule, which then becomes a condition for all future issuance of water rights that affect that stream. Another approach is to define flow levels in a formal agreement related to operation of a surface water storage facility. Flow levels established in a Habitat Conservation Plan (HCP), a Federal Energy Regulatory Commission (FERC) license, are recognized by this Strategy to the extent that the State participated in the development of those efforts.

Once flow levels have been defined as a management parameter, actions can be taken to operate the facility in such a way as to meet the defined flow levels. HCPs and/or FERC licenses affecting flow management are already in place for the major regional surface water management facilities on the Sultan, Tolt, Cedar and Green Rivers.

For those rivers that have management procedures in place with respect to operation of major storage facilities, the State will continue to monitor and participate in flow management as defined in applicable agreements. This includes the operation of major storage facilities listed in Table 2. The State will work with the facility owners/operators to ensure flow management approaches meet the objectives of the CPS Strategy in an adaptive framework.

Table 2

Instream Flow Agreements for Major Storage Facilities

River and Facility	Project Operator	Agreement (s)
Sultan (Jackson Project)	Snohomish PUD and City of Everett	FERC License

Tolt (South Fork Tolt Reservoir	Seattle Public Utilities	Tolt Settlement Agreement
Cedar (Chester Morse Reservoir)	Seattle Public Utilities	Habitat Conservation Plan
Green (Howard Hanson Dam)	Tacoma Public Utilities	Habitat Conservation Plan

For those rivers that do not have major storage facilities with applicable agreements, a different approach is needed. The State will continue to work with WRIA planning groups and other stakeholders to evaluate flow needs and management approaches. The State will then utilize a combination of regulatory and non-regulatory approaches to protect and enhance flows.

In basins or sub-basins where instream flows are already defined in State rules, the State will continue to manage flows consistent with adopted rules. Where instream flows have not been set by State rule, the State will apply its statutory authorities to establish and enforce instream flows, consistent with recent developments involving locally led efforts at the WRIA level.

In all basins or sub-basins outside the arena of the major storage facilities agreements, the CPS Team will work with local governments, WRIA planning groups and other stakeholders to review and prioritize water management approaches that can physically improve stream flows. These approaches may include some combination of the following techniques:

- Water conservation efforts to manage diversions and groundwater withdrawals;
- Acquisition or leasing of water rights from willing sellers for deposit in the State trust;
- Compliance actions to minimize illegal water use;
- Relocation or consolidation of points of diversion;
- Evaluation and potential development of storage options to provide flow enhancing opportunities within the region;
- Installation of stormwater facilities to capture runoff and promote infiltration to support base flows;
- Land use and development practices that reduce runoff and promote infiltration to support base flows;
- Restoration of portions of floodplains and wetlands that provide natural storage to retain flows and release them slowly, and

- Conjunctive use of water diversion programs to meet instream and out-of-stream needs.

VII. Implementation Schedule

A. Short Term Schedule

The following schedule will be used in the short term, to make the Strategy operational:

November 1, 2002	Finalize Early Action and Pilot Projects and take steps to implement
January, 2003-December, 2003	Governor approves Strategy and executes executive order implementing the Strategy The Water Team will establish the following Task Groups: a) Work with local and regional governments, utilities and interested parties to further develop a Coordinated Water Management Framework; b) Work with local governments, utilities and interested parties to develop regional conservation standards c) Working with governments, utilities and interested parties to develop a regional drought management strategy
March, 2003-2005	Designate State's CPS Team Members and establish operating procedures The CPS Team will begin internal coordination and begin the following tasks: a) Realign the existing regional staff so that the CPS Team supports Snohomish, King and Pierce Counties b) Work with local and regional governments, existing planning processes and utilities to coordinate water management decisions and planning efforts with the CPS Strategy.

B. Long-Term Schedule

Implementation of the CPS Strategy in the long term will be tied to local timelines for update of comprehensive land use plans under GMA, water system plans submitted to the Department of Health (DOH), and related planning processes. This will include a 50-year water resource management sustainable target, a 20-year land use and utility service plan, a 10-year utility plan update, and adaptive management performance check (on a regional/subregional coordinated timeline) and the annual/biannual capital facilities plans used for budget and funding priority setting.

In addition, water resource decision making will be carried out consistent with the framework presented in Section III. This will include project-by-project decisions related to applications related to permitting and funding of specific projects, as they are submitted over time.

VIII. Funding

At the State level, funding needs associated with implementation of the Strategy will include:

- New or re-directed staffing within Ecology, DOH, Departments of Fish and Wildlife, and Community, Trade, and Economic Development to ensure the four agencies can carry out their assignments as discussed herein.

- Funding for specific State-led initiatives in the region, such as instream flow setting (already partially funded); development of a Drought Management Program; and improved data gathering and data management to support the adaptive management approach.

- New or re-directed federal and State grant and loan programs to reflect the CPS Strategy.

These funds will be sought in the State budgeting process.

At the local level, implementation of the Strategy will involve capital projects such as those discussed in Section III of this document. It is envisioned that project proponents will identify a variety of funding sources and financing packages to carry out specific projects, including a mix of State, federal and local funds. The State's share of these funding needs will be addressed in the context of overall infrastructure funding decisions at the State level.